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BEFORE THE ARIZONA CORPORATION COMMISSION

RECEIVED

WILLIAM A. MUNDELL
CHAIRMAN
JIM IRVIN
COMMISSIONER
MARC SPITZER
COMMISSIONER

2001 NOV 15 P 3:48

AZ CORP COMMISSION
DOCUMENT CONTROL

IN THE MATTER OF THE APPLICATION OF
THE ARIZONA ELECTRIC DIVISION OF
CITIZENS COMMUNICATIONS COMPANY TO
CHANGE THE CURRENT PURCHASED POWER
AND FUEL ADJUSTMENT CLAUSE RATE, TO
ESTABLISH A NEW PURCHASED POWER AND
FUEL ADJUSTMENT CLAUSE BANK, AND TO
REQUEST APPROVED GUIDELINES FOR THE
RECOVERY OF COSTS INCURRED IN
CONNECTION WITH ENERGY RISK
MANAGEMENT INITIATIVES.

DOCKET NO. E-01032C-00-0751

Arizona Corporation Commission

DOCKETED

NOV 15 2001

DOCKETED BY

PROCEDURAL ORDER

BY THE COMMISSION:

On September 28, 2000, the Arizona Electric Division of Citizens Communications Company ("CCC") filed with the Arizona Corporation Commission ("Commission") an application to change the current purchased power and fuel adjustment clause rate ("PPFAC"), to establish a new PPFAC bank, and to begin accruing carrying charges and to request approved guidelines for the recovery of costs incurred in connection with energy risk management initiatives ("Application").

On November 16, the Commission issued Decision No. 63139.

On November 17, 2000, a Procedural Order was issued setting various deadlines and ordering CCC to update its application to incorporate the results of its audit of the APS power contract.

On September 19 and 26, 2001, CUC filed amendments to its Application, requesting authorization to change the current PPFAC to recover the approximate \$87 million under-collected bank balance and the incremental cost of generation as reflected in a new contract with Pinnacle West Capital Corporation, the parent of Arizona Public Service ("APS"); to begin accruing carrying charges on the accumulated balance of power supply costs; and to amortize the current PPFAC bank balance over a longer period than a twelve month recovery period. ("Amended Application").

Pursuant to A.A.C. R14-3-101, the Commission now issues this Procedural Order to govern the preparation and conduct of this proceeding.

1 IT IS THEREFORE ORDERED that the hearing in the above-captioned matter shall
2 commence on **March 4, 2002 at 10:00 a.m.** or as soon thereafter as practical, at the Commission's
3 offices, 1200 West Washington Street, Phoenix, Arizona 85007. Public comment will also be taken
4 on that date at the commencement of the hearing.

5 IT IS FURTHER ORDERED that a public comment sessions on the above-captioned matter
6 shall be in the service area, including Mohave County, and such public comment sessions will be set
7 by separate Procedural Order.

8 IT IS FURTHER ORDERED that a Procedural Conference shall be held commencing at 2:00
9 p.m. on February 27, 2002, at the Commission's offices, 1200 West Washington Street, Phoenix,
10 Arizona 85007.

11 IT IS FURTHER ORDERED that CCC shall reduce to writing and file its direct testimony
12 and associated exhibits to be presented at hearing in support of the Amended Application on or
13 before November 16, 2001.

14 IT IS FURTHER ORDERED that the Staff Report and/or testimony and associated exhibits to
15 be presented at hearing on behalf of the Commission's Utilities Division Staff ("Staff") shall be
16 reduced to writing and filed on or before January 15, 2002.

17 IT IS FURTHER ORDERED that testimony and associated exhibits to be presented at hearing
18 on behalf of Intervenors shall be reduced to writing and filed on or before January 15, 2002.

19 IT IS FURTHER ORDERED that rebuttal testimony and associated exhibits to be presented
20 at hearing on behalf of CCC shall be reduced to writing and filed on or before February 7, 2002.

21 IT IS FURTHER ORDERED that any surrebuttal testimony and associated exhibits to be
22 presented by Staff or Intervenors, shall be reduced to writing and filed on or before February 19,
23 2002.

24 IT IS FURTHER ORDERED that any rejoinder testimony and associated exhibits to be
25 presented on behalf of CCC shall be reduced to writing and filed on or before February 25, 2002.

26 IT IS FURTHER ORDERED that any substantive corrections, revisions, or supplements to
27 pre-filed testimony shall be reduced to writing and filed prior to the pre-hearing conference.

28 IT IS FURTHER ORDERED that intervention shall be in accordance with A.A.C. R14-3-105,

1 except that all motions to intervene must be filed on or before January 11, 2002.

2 IT IS FURTHER ORDERED that responses to motions shall be filed within five days of the
3 filing date of the motion.

4 IT IS FURTHER ORDERED that CCC shall provide public notice of the hearing in this
5 matter in the following form and style:

6
7 **NOTICE OF HEARING ON THE APPLICATION OF THE ARIZONA ELECTRIC**
8 **DIVISION OF CITIZENS COMMUNICATIONS COMPANY FOR AN INCREASE TO ITS**
9 **PURCHASED POWER AND FUEL ADJUSTMENT CLAUSE**

10 **Docket No. E-01032C-00-0751**

11 On September 19 and 26, 2001, the Arizona Electric Division of Citizens
12 Communications Company ("CCC") filed with the Arizona Corporation Commission
13 ("Commission") an amended application to change the current purchased power and fuel
14 adjustment clause rate ("PPFAC") to recover the approximate \$87 million under-
15 collected bank balance and the incremental cost of generation as reflected in a new
16 contract with Pinnacle West Capital Corporation, the parent of Arizona Public Service
17 ("APS"); to begin accruing carrying charges on the accumulated balance of power supply
18 costs; and to amortize the current PPFAC bank balance over a longer period than a
19 twelve month recovery period. ("Application"). The Application is available for
20 inspection during regular business hours at the offices of the Commission in Phoenix, at
21 1200 West Washington Street, Phoenix, Arizona, 400 W. Congress Street, Tucson,
22 Arizona and at the offices of the Company, [insert address].

23 The Commission will hold a hearing on this matter beginning March 4, 2002, at 10:00
24 a.m., at the Commission's offices, 1200 West Washington Street, Phoenix, Arizona.
25 Public comment hearings will be held in the service area, at dates and locations to be
26 announced later. Public comments will also be taken at the hearing.

27 The law provides for an open public hearing at which, under appropriate circumstances,
28 interested parties may intervene. Intervention shall be permitted to any person entitled by
law to intervene and having a direct and substantial interest in the matter. Persons
desiring to intervene must file a written motion to intervene with the Commission, which
motion should be sent to the Company or its counsel and to all parties of record, and
which, at the minimum, shall contain the following:

1. The name, address, and telephone number of the proposed intervenor and of any party upon whom service of documents is to be made if different than the intervenor.
2. A short statement of the proposed intervenor's interest in the proceeding (e.g., a customer of the Applicants, a shareholder of the Applicants, etc.).
3. A statement certifying that a copy of the motion to intervene has been mailed to the Applicants or their counsel and to all parties of record in the case.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before January 11, 2002. The granting

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of intervention, among other things, entitles a party to present sworn evidence at hearing and to cross-examine other witnesses. Failure to intervene will not preclude any customer from appearing at the hearing and making a statement on such person's own behalf. You will not, however, receive any further notice of the proceeding unless requested by you.

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting Shelly Hood, ADA Coordinator, voice phone number 602/542-3931, E-mail shood@cc.state.az.us. Requests should be made as early as possible to allow time to arrange the accommodation.

IT IS FURTHER ORDERED that CCC shall cause the above notice to be mailed to its customers and shall publish notice in a newspaper of general circulation in each county where service is provided, no later than December 15, 2001.

IT IS FURTHER ORDERED that CCC shall file certification of mailing and publication as soon as practicable after the mailing/publication has been completed.

IT IS FURTHER ORDERED that notice shall be deemed complete upon mailing/publication, notwithstanding the failure of an individual customer to read or receive the notice.

IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113-Unauthorized Communications) applies to this proceeding as the matter is now set for public hearing.

IT IS FURTHER ORDERED that the time periods specified herein shall not be extended pursuant to Rule 6(a) or (e) of the Rules of Civil Procedure.

IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

DATED this 15th day of November, 2001.



LYN FARMER
CHIEF ADMINISTRATIVE LAW JUDGE

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1 Copies of the foregoing mailed/delivered
2 this 15th day of November, 2001 to:

3 Michael M. Grant
4 Todd C. Wiley
5 GALLAGHER & KENNEDY
6 2575 E. Camelback Road
7 Phoenix, Arizona 85016-9225
8 Attorneys for Citizens Communications Company

9 Daniel W. Pozefsky
10 RUCO
11 2828 N. Central Ave., Suite 1200
12 Phoenix, Arizona 85004

13 Christine L. Nelson
14 Deputy County Attorney
15 P.O. Box 7000
16 Kingman, Arizona 86402

17 Walter W. Meek
18 AUIA
19 2100 N. Central Ave., Suite 210
20 Phoenix, Arizona 85004

21 Ernest G. Johnson, Director
22 ARIZONA CORPORATION COMMISSION
23 1200 West Washington Street
24 Phoenix, Arizona 85007

25 ARIZONA REPORTING SERVICE, INC.
26 2627 N. Third Street, Suite Three
27 Phoenix, Arizona 85004-1003

28 By: 
Molly Johnson
Secretary to Lyn Farmer